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September 24, 2021

VIA E-FILING

Jocelyn Boyd, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210

RE: Annual Review of Base Rates for Fuel Costs for Duke Energy Carolinas, LLC
(For Potential Increase or Decrease in Fuel Adjustment and Gas Adjustment)
Docket No. 2021-3-E

Dear Ms. Boyd:

As the record will reflect, I represent the South Carolina Energy Users Committee (“SCEUC”) in the above captioned docket. My client would not object to a proposed order adopting the audit findings and recommendations set out in the testimony of the Office of Regulatory Staff (“ORS”), with the following exception.

As appears from the undisputed testimony in this docket, Duke Energy Carolina, LLC’s (“Duke”) testimony prefiled on July 30, 2021, was based upon a fuel forecast made in April of 2021 which proved to be incorrect (Phipps prefiled direct, page 2, ll. 15-17). In its prefiled testimony of July 30, 2021, Duke stated that the fuel cost increase would lead to a rate increase of 2.25% for the industrial service class for the period October 2021 through September 2022. (Sykes prefiled direct, page 16, l. 19 – page 17, l.4).¹ On August 18, 2021, having the benefit of a current fuel forecast, Duke prefiled supplemental testimony requesting a rate increase of 5% on industrial customers (Sykes Supplemental direct testimony, page 4, l. 19 – page 5, line 8).²

Duke protests that their failure to accurately forecast their fuel costs was a “one off” due to fluctuating fuel costs. However, fuel costs by their nature fluctuate. Moreover, Duke’s witnesses, and all witnesses, owe the Commission and ratepayers a duty to file accurate information with the Commission. Duke failed to do so here undermining the credibility of its testimony.

¹ The requested rate increase for the residential service class was 1.55%.

² The requested rate increase for the residential service class was 3%.

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SCEUC would urge the Commission to require Duke to base its prefiled testimony in future fuel proceedings based on current commodity prices and fuel forecasts. Duke's witness testified that a June 30th forecast in the instant docket would have allowed Duke's witnesses time to prepare and prefile accurate testimony by July 30th.

Accordingly, SCEUC would request that the Commission order Duke to base its prefiled testimony in future fuel dockets on a fuel forecast prepared within thirty days of the prefiling deadline for testimony. In so doing, the Commission would act to ensure transparency and build public confidence in the proceedings before it.

If you have questions, please do not hesitate to contact me.

Sincerely,

ELLIOTT & ELLIOTT, P.A.



Scott Elliott

SE/lbk
Enclosures

cc: All parties of record (w/encl. via Electronic Mail)

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them via Electronic Mail, on the date indicated below:

RE: Annual Review of Base Rates for Fuel Costs for Duke Energy Carolinas, LLC (For Potential Increase or Decrease in Fuel Adjustment and Gas Adjustment)

DOCKET NO.: 2021-3-E

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PLEADING:

LETTER

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